Operator

Good morning, ladies and gentlemen. At this time we would like to welcome everyone to the conference call for Wilson Sons Limited 1Q 2015 results. Today with us we have Mr. Cezar Baião, CEO of Operations in Brazil, Mr. Felipe Guterres, CFO of the Brazilian subsidiary and Investor Relations and Mr. Sergio Fisher, COO Port Terminals and Logistics.

We would like to inform you that all participants will be in a listen-only mode during the Company's presentation. After remarks by the Company's management, there will be a question and answer session for industry analysts. At that time, further instructions will be given. Should any participant need assistance during this call, please press *0 to reach an operator.

Today's live webcast, including both audio and slideshow, may be accessed online through the Wilson, Sons Investor Relations website, at www.wilsonsons.com.br/ir

Before proceeding, let me mention that forward-looking statements are based on the beliefs and assumptions of Wilson, Sons management and on information currently available to the Company. They involve risks and uncertainties because they relate to future events and therefore depend on circumstances that may or may not occur. Investors should understand that conditions related to macroeconomic environment, industry and other factors could also cause results to differ materially from those expressed in such forward-looking statements.

Now, I will turn the conference over to the CFO of the Brazilian Subsidiary & Investor Relations, Mr. Felipe Gutterres, who will begin the presentation. Mr Gutterres, you may begin your comments now, sir.

Felipe Gutterres

Thank you. Good morning everyone, I am here with Cezar Baião, and Sergio Fisher for our conference call results of the first quarter 2015.

Please turn to slide 3 of our presentation for a brief summary of our consolidated results

Wilson Sons 1Q2015 proforma Net Revenue with the Offshore Vessels Joint Venture is US$156.6. Although the Towage, Offshore Vessels and Shipyard revenues increased, the total revenue is slightly below 1Q2014 revenues principally due to:

– weaker BRL impacting Port Terminal’s revenues.

– the soft international demand and low Brazil GDP growth, impacting movements at both Tecons; and

– fewer dedicated operations in Logistics.

Proforma EBITDA for the quarter is 13% higher than the comparative with positives again principally in our Maritime services of Towage, Offshore Vessels and the Shipyard. This result is even more relevant when you consider the current challenging economic environment, together with lower oil prices. Capex for the quarter was largely concentrated in Towage and the Offshore Vessel businesses.

Moving now to slide 4,

I present a quick summary of the Net Revenue and EBITDA highlights by business.

- The **Container Terminals** revenues were lower with a weaker BRL and lower deep sea volumes however EBITDA was slightly up with positives coming from project cargo in Bahia and Cabotage.
- For the **Brasco Oil & Gas Support Terminal,** revenues and EBITDA decreased against the comparative as a result of a reduction in support to exploration with the end of four operations: two in Bahia (Salvador and Ilheus) and other two short operations in Niterói base.
- In **Logistics**, we had a revenue and EBITDA reduction as a result of the end of dedicated operations although our Bonded Warehouses were able to slightly increase revenues against a backdrop of increased competition in Santo Andre with additional airport and port terminal bonded capacity in the São Paulo area.

- **Towage** revenues and EBITDA increased as a consequence of higher numbers of harbour manoeuvres and evolution of market share. The weaker Brazilian Real helps reduce costs and improve margins of this business in dollar as roughly 80% of its revenues are USD denominated.
- **Shipyard** Revenues increased with a net one off revenue of US$2.6M from client non-performance.
- **Offshore Support Vessels** growth in revenue and EBITDA reflects a larger operating fleet with own vessel operational days up 4.4% and newer vessels with higher daily rates helping day rates move up some 5.2%.

Turning to slide 5

We can see the strong cash position of the Company and some of our liquidity ratios. Most metrics are similar to the comparative period with exception perhaps of the Net gearing ratio impacted by currency effects. The currency effects of our balance sheet are something I would like to demystify a little across the next couple of slides 6 and 7.

On slide 6 if you look across the last ten years Wilson has achieved relatively consistent double digit growth in US Dollar reported Revenues and EBITDA despite both Real valuation and depreciation in the period.

This is in part possible because the Group Revenues and EBITDA comprise a significant US$ element. For 2014 we estimate 47% of Revenues were US$ sourced or denominated and 10% of Costs were US$ sourced or denominated.

The effect of this is that our R$ proportion of costs and revenues vary in similar proportions to minimise the net effects on our EBITDA which is largely US$, hence limiting volatility of our US$ reported EBITDA as can be seen in the graphical representation in the bottom right hand corner of this slide.

Real costs are slightly greater than Real revenues so there is a small negative net cash flow on Real denominated or sourced EBITDA and substantially all of our EBITDA generated is US$

So on slide 7

When we look at the Contracted US$ Debt Amortisation at 31/12/2014 and compare it to 2014 EBITDA we can see that there is significant coverage from cash generation in dollar, and this actually goes off the chart in the later years of the graph.

On the last slide I would like to talk quickly on the April Operating Data reported and the Company outlook

The **Container Terminals** for the first four months have been weaker than expected with both terminals negatively affected by the slowdown in industrial activity. On the positive side Cabotage continues to grow and some exports like Cellulose and Sisal have recently shown improvement as a result of the export competitiveness with the Brazilian real devaluation.

For the **Upstream Oil and Gas Support terminals** market we can see a difference between the short and the long term. The short term is strongly impacted by the low oil price, which is causing oil majors to postpone investment decisions relating to offshore projects. However, in the medium to long term we believe the development of worldwide energy consumption will drive the demand for Brazil´s substantial reserves.

For **Offshore Vessels** growth in operating data is a function of the increased operational fleet, with the entry of one new owned vessel. Given the actual oil market we have been working to pushed back the delivery of the three foreign vessels we are receiving in our fleet. The two high specification Brazilian flagged PSVs in construction continue on time and have contractual guarantee on completion.

Our **shipyard** has solid contractual coverage which currently extends through to November 2016

In **Towage** Harbour Manoeuvres presented strong growth due to port support operations in the state of Pará, which began in Sept/14, and evolution of market share. Special operations in the port of Santos for April limited growth in harbour towage for that region but we still managed to grow April towage volume 4%. The special operation of four tugboats played an important role by pumping significant additional water flow to the fire fighting teams on land to combat the recent oil fire. There is an image of these special operations on the next slide but at this time, I would like to invite you to move to the Q&A portion of today's Conference Call.

Operator

Thank you. We will now start the Q&A portion of today's conference call. Mr. Robin Byde from Cantor Fitzgerald would like to make a question.

Robin Byde

Hi, guys. Yes, it's Robin from Cantor Fitzgerald. Hi, everybody. Just a few questions from me, actually. Firstly, on the container side, warehousing revenue seems to be compensating for weak handling revenues. So how much is the warehouse revenue relating to wind farm development a one-off or is that activity going to continue through this year? And then secondly on the logistics side, profit margins seem to start to improve or have improved a little. So are we now through the low point in your transition plan. And can you share with us your target margins for that division? Rest there, when your answered. Thank you.

Sérgio Fisher

Good morning, this is Sergio Fisher. To answer your first question, during the first quarter, we did have revenue and bonded warehouses and imports due to project cargo in the Salvador port, this will not be repeated and to such an extent throughout the year. We will still receive some project cargo, but not as a significant at this one. The tenancy for logistics is for margins to improve since major mobilization some dedicated operations have already been done. So the trend is for logistic margins to improve over time.

Cézar Baião

Our target margin revenue is around 12% at logistics.

Operator

Our next question is Lucas Barbosa from Brasil Plural.

Lucas Barbosa

Good morning. Thank you for the opportunity. I just like to follow-up the first question. I want to understand in terms of ports, what you're seeing for 2015. We saw some operational costs in the first quarter due to the first quarter negative prospects. But this might not continue to the next quarter, so is there anything specific we can expect from ports? Thank you.

Sérgio Fisher

Lucas, the container market trend is to continue stable throughout the year. We don't have any expectations of great improvements. So we are continuing to work strongly on new cargos, especially grains such as soybeans, fertilizers and others.

Cézar Baião

Just to add to that answer, we have been working in container terminals for the first quarter and they have been providing results due to a very robust new effort in both terminals. And this contributes to reducing the flat we have been seeing, due to the slowdown of the Brazilian economy.

Lucas Barbosa

Great, thank you very much.

Cézar Baião

You're welcome.

Operator

Our next question is Renato Opice from Brasil Plural.

Renato Ópice

Good morning. I'd like to know in terms of CapEx, what you can tell us, what are the forecasts for 2015? And then I also have a question, an additional question, but let's talk about CapEx first, please?

Felipe Gutterres

Hi, Renato. This is Felipe and I'll answer about CapEx, how are you doing? We have been observing that CapEx is a bit higher this year, because we have new vessels and we also have the continuations of the investments in Brasco Oil & Gas Support. So, we still have some leftovers from the previous year and obviously, we have a new tugboats. But due to the exchange rates, the CapEx is slightly reduced, it will be around US$110 million, US$120 million, this excludes offshore vessels, so.

Renato Ópice

Perfect, thank you. My second question, is not really a question. We've seen the effect that Petrobras has been receiving and I wonder, if you are thinking about that, that Petrobras might sell some of their production areas and what reflects and that would have on Brasco Oil and Gas, for example. We could have newcomers to the market that might be a possibility for you. So do you think there is an opportunity for cash generation?

Sergio Fisher

This is Fisher. We have been following that very closely. For Wilson, it doesn't matter, if Petrobras has operating some ports or some fields. If it is, it has a great impact with us and if it is sold, it will be for Wilson Sons client probably. So if the sale of this market participation is to a client and not to our operator that makes no difference for us.

Renato Ópice

Okay. I understand. Thank you.

Operator

Our next question will be from Leandro Fontanesi from Bradesco.

Leandro Fontanesi

Good morning. I have a question about margin. So, I would just like to know how much of the improvement can be justified by FX, since most of the costs are in Brazilian real?

Felipe Gutterres

Yes some part it was depreciated due to the dollar, due to the exchange rate variation, but it has been well balanced. 47% of our revenue is in US dollars. So part of it has benefited and part of it suffers losses from currency exchange variations. But in Maritime business, there is a benefit from exchange variation, in the port system that's negatively affected by exchange rate variations. So, it's fairly well balanced.

We see some problems of course due to exchange rate variation and then also some benefits from new benefits Offshore Vessels coming into play. So this goes beyond just a exchange rate variation. It's also due to business issues.

Leandro Fontanesi

Do you think that it's neutral in that?

Cézar Baião

I think it's neutral to positive for the entire business. If you break it down by business, then there are large differences, yes.

Leandro Fontanesi

And do you think that that margin improvement is sustainable. Can you say that on a general scale, will this continue to be increased or do you think it will go beyond what we're seeing?

Cézar Baião

Well, Brazil has been harmed by in terms of its visibility, it's difficult to create any projections here, we're trying to sustain our current margins. But I'm sure, you agree that this is a moment were Brazil has a very low visibility and the economic scenario is very challenging, especially for the oil market.

Leandro Fontanesi

In terms of container ports -- container terminals, cost have been reduced, but do you have any additional costs that can be cut or is it difficult now?

Sérgio Fisher

I think that there is still some more to trim-off, so.

Leandro Fontanesi

Okay, thank you very much.

Operator

We have one question from the conference in English. Mr. Robin Byde from Carson City, would like to ask a question.

Robin Byde

Hello, again. Just a question on employee costs plays. So they were down nearly 5% year-on-year. A side from the currency movements was the key driver of the lower costs, the restructuring of the logistics business and therefore a one-off event or our employee costs likely to continue to fall at a similar rate through the year? Thank you.

Cézar Baião

Robin, there are few factors that contributed towards that reduction. The logistics business reduction contributes to that, closing some dedicated operations as we've been announcing, reduces payload, but we also have a reduction of headcount throughout the entire group. These programs and terminals have provided structures and we've had new agreements, but in other areas, we also have been focusing very much in gaining efficiency and by gaining efficiency, we are always dealing with headcount issues.

Operator

We'd now like to wrap-up our Q&A session. We would like to give the word to Mr. Cezar Baiao for his final remarks.

Cézar Baião

I'd like to thank everyone for taking part in this conference call. It's always a pleasure for us to have a moment to talk about our results and explain them further. I would also like to remind you that on May 26 next week, the company's headquarters in Rio de Janeiro will receive the Wilson Sons Day. It's also an opportunity for those of you who would like to be with us in person to talk about our results and strategy. Once again thank you and have a good day.

Operator

The Wilson Sons conference call is over. We'd like to thank you for your participation. Have a nice day.